

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 PM-07 INR-10 L-03 NEA-11

NSAE-00 PA-04 RSC-01 PRS-01 SPC-03 USIA-15 TRSE-00

SAM-01 SAJ-01 DRC-01 OMB-01 EB-11 /096 W

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TO SECSTATE WASHDC 3999

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INFO USNHLO PARIS

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E.O. 11652: N/A

TAGS: MCAP, NATO

SUBJECT: BURDENSARING ASPECTS OF NATO-HAWK IMPROVEMENT PROGRAM

STATE (J.CHRISTENSEN) PASS TO NSC (B. HUBERMAN). SECDEF FOR
OASD(I&L)-C. FRANKE, OASD(ISA)-R. SHIELDS, AND ODDR&E-CAPT CARRIER.

REFS: A. USNATO 6256

B. USNATO 0220

C. USNATO 0337

BEGIN SUMMARY. USNATO IS IN THE PROCESS OF UPDATING INFORMATION
ON BURDENSARING ASPECTS OF NATO-HAWK EUROPEAN LIMITED IMPROVEMENT
PROGRAM (HELIP). INFORMATION AVAILABLE NOW IS BASED UPON CON-
TRACT BETWEEN NATO-HAWK PRODUCTION & LOGISTICS ORGANIZATION
(NHPLO) AND RAYTHEON CORPORATION. US NATO-HWAK
LIAISON OFFICE (NHLO) IS REFINING CALCULATIONS OF ACTUAL NET
DOLLAR FLOW TO THE US. REFINED FIGURES EXPECTED SHORTLY AND WILL
BE PROVIDED SEPTEL. END SUMMARY.

1. TOTAL COST FOR HELIP TO PARTICIPATING COUNTRIES (EXCLUDING
BELGIUM AS A POSSIBLE FUTURE PARTICIPANT) IS 757.2 MILLION DOLLARS.
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CONTRACT WITH RAYTHEON IS FOR 663.4 MILLION DOLLARS. DIFFERENCE
OF 93.8 MILLION DOLLARS IS FOR DIRECT CONTRACTS WITH OTHER FIRMS,
MAJORITY OF WHICH ARE US. ABOUT 40 PERCENT OF THE 663.4 MILLION
DOLLARS IS TO BE SUBCONTRACTED TO EUROPEAN INDUSTRIES. ESTIMATED

NET DOLLAR FLOW TO US OVER THE LIFE OF THE PROGRAM APPROXIMATES
490 MILLION DOLLARS.

2. DOLLAR FLOW FROM NHPLO TO RAYTHEON OVER THE LIFE OF THE CON-
TACT IS PROVIDED BELOW. AS NOTED PREVIOUSLY, THESE DOLLARS ARE
NOT ALL NET GAIN TO THE US (ONLY APPROXIMATELY 60 PERCENT OF THE
TOTAL IS NET TO THE US). ALL FIGURES ARE CUMULATIVE AND IN
MILLIONS OF US DOLLARS, ROUNDED TO NEAREST TENTH:

15 FEB 74: \$59.4

15 APR 74: \$115.9 (END FY74; CUM PERCENT: 17.5) (FY74 ONLY: \$115.9)

15 OCT 74: \$216.3

15 JAN 75: \$266.1

15 APR 75: \$308.8 (END FY75; CUM PERCENT: 46.6) (FY75 ONLY: \$193.0)

15 JUL 75: \$349.7

15 OCT 75: \$391.8

15 JAN 76: \$433.1

15 APR 76: \$467.6 (END FY 76; CUM PERCENT: 70.5)(FY76ONLY: \$158.9)

(NOTE: ONLY ANNUAL CUMULATIVE AMONNTS NOTED BEYOND FY 76.)

15 APR 77: \$594.9 (END FY77; CUM PERCENT: 89.7)(FY77 ONLY: \$127.3)

15 APR 78: \$660.9 (END FY78; CUM PERCENT: 99.6)(FY78 ONLY: \$66.0)

REMAINDER OF PROGRAM THRU FY79: \$663.4 (END FY79; CUM PERCNNT: 100)
(FY79 ONLY: \$2.4)

3. PROGRAM CEILING AMOUNTS BY COUNTRY ARE AS FOLLOWS (IN
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MILLIONS OF US DOLLARS):

DENMARK - 32.7

FRANCE - 97.7

FRG - 329.0

GREECE - 15.2

GREECE (NAMFI TEST RANGE) - 7.4

ITALY - 171.2

NETHERLANDS - 104.0

BELGIUM (NOT YET A PARTICIPANT)

TOTAL: 757.2

FROM THESE CEILING AMOUNTS APPROXIMATE DOLLAR FLOW AMOUNTS BY COUNTRY CAN BE ESTIMATED. IT SHOULD BE NOTED, HOWEVER, THAT DUE TO VARYING DEGREES OF NATIONAL INDUSTRY PARTICIPATION THE PERCENTAGES BY COUNTRY ARE NOT THE SAME. FOR EXAMPLE, THE PERCENTAGE OF DOLLAR FLOW FROM THE PURCHASING NATION TO THE US COMPARED TO PROGRAM CEILING FOR THE PURCHASING NATION WILL BE GREATER FOR THE FRG THAN FOR ITALY.

4. FINAL NATIONAL DECISIONS TO PARTICIPATE IN HELIP WERE MADE WELL AFTER SUBMISSION OF COUNTRY RESPONSES TO DPQ(73). HENCE IT

IS UNLIKELY THAT COUNTRY RESPONSES INCLUDED DOLLAR FLOW TO US EXPECTED IN CONJUNCTION WITH HELIP. IN FUTURE NATIONAL SUBMISSIONS OF BURDENSARING INFORMATION COUNTRIES UNDOUBTEDLY WILL MAKE STRONG EFFORTS TO RECEIVE CREDIT FOR DOLLAR FLOW TO US RESULTING FROM HELIP.

RUMSFELD

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